

## **Program A: Payments to Private Providers**

### **PROGRAM DESCRIPTION**

The mission of the Payments to Private Providers Program is to provide payments to private providers of health services to Louisiana residents who are eligible for Title XIX (Medicaid) and to administer the Medicaid Program to ensure operations are in accordance with federal and state statutes regarding medically necessary services to eligible recipients. Additionally, the Medical Vendor Payments Program assures that reimbursements to providers of medical services to Medicaid recipients are appropriate.

The goals of the Payments to Private Providers Program are:

1. To develop alternatives to institutional care.
2. To screen children for medical, vision, hearing and dental abnormalities.

The Payments to Private Providers Program provides payments to the following providers/services: Inpatient Hospital Services, Outpatient Hospital Services, Long Term Care Facilities, ICF-MR (MR/DD Community Homes), MR/DD Waiver (Community Services), Assisted Living Waiver, Inpatient Mental Health, Psychiatric Rehabilitation, Adult Day Health, Physicians Services, Pharmaceutical Products and Services, Laboratory and X-ray Services, Emergency Transportation, Non-Emergency Transportation, Chiropractic Services, Certified RN Anesthetists, Adult Dentures, Appliances and Medical Devices, Home Health Services, Hemodialysis Services, EPSDT (Screening and Early Diagnosis), Case Management Services, Elderly Waiver, Federally Qualified Health Centers, Private Family Planning, Rehabilitation Services, Rural Health Clinics, Substance Abuse Clinics, and Other Private Providers.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in both the Base Executive Budget and Governor's Supplementary Recommendations for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) To maintain the Mental Retardation/Developmentally (MR/DD) Disabled Waiver Program for annual number of 4,251 clients.

Strategic Link: *This objective implements Objective 1.2 of Program A & B, Medical Vendor Payments, of the strategic plan: To develop and maintain MR/DD Waiver Program that will cost avoid \$64,084,380 for 2,751 clients annually through June 30, 2003.*

Explanatory Note: For more information on the MR/DD Waiver Program, see 09-306 Medical Vendor Payments, Program A: Payments to Private Vendors.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of allocated MR/DD waiver slots	Not applicable <sup>1</sup>	3,451	4,251	4,251	4,251	4,251
K	Percentage of MR/DD waiver slots filled	Not applicable <sup>1</sup>	87%	91%	91%	91%	91%
K	Number of individuals waiting for waiver services <sup>2</sup>	9,948	7,069	7,063	7,063	7,063	7,063
K	Total number served in MR/DD waiver slots	Not applicable <sup>1</sup>	2,885	Not applicable <sup>3</sup>	3,868	3,868	3,868
S	Average cost per slot	\$29,133	\$29,334	\$29,288	\$29,288	\$31,000	\$31,000

<sup>1</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

<sup>2</sup> This figure is determined annually, effective December 31st of each year and represents the number of individuals, based on historical experience, who would accept a waiver slot if offered.

<sup>3</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

GENERAL PERFORMANCE INFORMATION					
PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1994-95	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Percentage of MR/DD waiver slots filled	Not available <sup>1</sup>	Not available <sup>1</sup>	Not available <sup>1</sup>	85%	87%
Total served in MR/DD waiver slots	2,137	2,263	2,057	2,359	2,885

<sup>1</sup> This is a new performance indicator and historical data is not available.

2. (SUPPORTING) To increase the number of children/adolescents enrolled in Mental Health Rehabilitation Services in an effort to not exceed a 7.74% recidivism in psychiatric hospitalizations for children/adolescents in the pilot regions.

Strategic Link: This objective implements Objective 1.2 of Program A & B, Medical Vendor Payments, of the strategic plan: To decrease by 24.9% the use of child and adolescent in-patient hospitalizations by increasing the use of Community Mental Health Rehabilitation and Mental Health Clinic services by June 30, 1999.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Adolescent Psychiatric Hospital Enrollment in the pilot regions	2,805	3,723	3,723	3,723	1,644 <sup>1</sup>	1,644
S	Mental Health Rehabilitation Enrollment from the Hospital Admissions Review Process (HARP) program in the pilot regions	701	731	840	840	275	275
S	Percentage of recidivism in psychiatric hospitalization in the pilot regions	Not applicable <sup>2</sup>	8.6%	Not applicable <sup>3</sup>	8.0%	7.7%	7.7%

<sup>1</sup> The decrease in adolescent psychiatric hospital admissions reflects the change from statewide data to data for the two pilot regions (Region 1: New Orleans and Region 7: Shreveport) only. The higher figures were statewide figures. The two regions were chosen because they had the highest utilization of child/adolescent psychiatric hospitalizations in the state.

<sup>2</sup> This performance indicator did not appear under Act 19 and therefore had no performance standard for FY 1998-99.

<sup>3</sup> This performance indicator did not appear under Act 10 and therefore had no performance standard for FY 1999-2000.

GENERAL PERFORMANCE INFORMATION					
PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1994-95	PRIOR YEAR ACTUAL FY 1995-96	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99
Percentage of diverted enrollment	Not available	Not available	Not available	Not available	19.7%

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$451,224,033	\$422,689,609	\$422,689,609	\$531,930,722	\$491,940,878	\$69,251,269
STATE GENERAL FUND BY:						
Interagency Transfers	15,676,428	720,089	720,089	777,627	777,627	57,538
Fees & Self-gen. Revenues	20,826,000	5,000,000	5,000,000	5,000,000	5,000,000	0
Statutory Dedications	107,736,786	196,313,638	196,313,638	123,569,740	115,864,041	(80,449,597)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	1,450,257,152	1,492,574,466	1,492,574,466	1,588,657,984	1,474,783,265	(17,791,201)
TOTAL MEANS OF FINANCING	<u><b>\$2,045,720,399</b></u>	<u><b>\$2,117,297,802</b></u>	<u><b>\$2,117,297,802</b></u>	<u><b>\$2,249,936,073</b></u>	<u><b>\$2,088,365,811</b></u>	<u><b>(\$28,931,991)</b></u>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	2,045,720,399	2,117,297,802	2,117,297,802	2,249,936,073	2,088,365,811	(28,931,991)
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<u><b>\$2,045,720,399</b></u>	<u><b>\$2,117,297,802</b></u>	<u><b>\$2,117,297,802</b></u>	<u><b>\$2,249,936,073</b></u>	<u><b>\$2,088,365,811</b></u>	<u><b>(\$28,931,991)</b></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>0</b></u>

A supplementary recommendation of \$166.2 million, of which \$35.8 million is State General Fund, is included in the Total Recommended for this program. It represents partial funding of the payments to private providers for services at Intermediate Care Facilities for the Mentally Retarded payable out of revenues generated by the renewal of the 3% suspension of the exemptions to the sales tax.

A supplementary recommendation of \$341.7 million, of which \$99.4 million is State General Fund, is included in the Total Recommended for this program. It represents full funding of the payments to private providers for adult dental, chiropractic, and discretionary pharmacy services; full funding of the Assisted Living Waiver, Medically Needy, and Persons with Special Needs Programs; and partial funding of the payments to the private providers for case management, emergency transportation, Early and Periodic Screening, Diagnosis and Testing (EPSDT) dental, EPSDT Health, EPSDT KIDMED, ICF/MRs, inpatient hospitalization, inpatient psychiatric hospitalization, laboratory and x-ray, long term hospitalization, psychiatric rehabilitation, outpatient rehabilitation, nursing homes, physicians, and rehabilitation services. These items are contingent upon Revenue Sources in excess of the Official Revenue Estimating Conference Forecast subject to Legislative approval and recognition by the Revenue Estimating Conference.

## SOURCE OF FUNDING

This program is funded with General Fund, Interagency Transfers, Fees and Self-generated Revenues, Statutory Dedications, and Federal Funds. Interagency Transfers originate from the Department of Social Services, Office of Family Support for Refugee Medical Vendor payments and Office of Community Services for the processing and all state funded payment of Non-Title XIX Foster Care Medical Vendor claims. Self-generated Revenues derived from the recovery of payments made when Third Party Insurance can be accessed. The Statutory Dedications are the Louisiana Medical Assistance Trust Fund which derives its funding source from the collection of provider fees from varying medical providers in the state based on corresponding per bed per day rates and the Louisiana Fund payable out of funding received pursuant to the Master Settlement Agreement reached between certain states and participating tobacco products manufacturers in November, 1998. (Per R.S. 39:32B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) Federal Funds represent federal financial participation in the Medicaid program. Prior years' revenues included interagency transfers of pool funds from Medicaid collections and excess provider fees collected.

	ACTUAL	ACT 10	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED OVER/(UNDER)
	1998-1999	1999- 2000	1999- 2000	2000 - 2001	2000 - 2001	EXISTING
Louisiana Medical Assistance Trust Fund	\$107,736,786	\$97,302,533	\$97,302,533	\$85,569,740	\$77,864,041	(\$19,438,492)
Louisiana Fund	\$0	\$99,011,105	\$99,011,105	\$38,000,000	\$38,000,000	(\$61,011,105)

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$422,689,609</b>	<b>\$2,117,297,802</b>	<b>0</b>	<b>ACT 10 FISCAL YEAR 1999-2000</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$422,689,609</b>	<b>\$2,117,297,802</b>	<b>0</b>	<b>EXISTING OPERATING BUDGET – December 3, 1999</b>
(\$25,251,343)	(\$85,539,777)	0	Continuation of reductions imposed by Executive Order MJF 99-52 in FY 00-01
\$1,374,566	\$4,656,389	0	Workload Adjustments - Activities agreed to under the partial settlement reached in <i>Chisolm v. Hood</i>
\$5,231,338	\$17,721,333	0	Workload Adjustments - Utilization increases in following services: outpatient hospitalization; lab and x-ray; physicians; durable medical equipment; dialysis; and case management
\$944,117	\$3,198,229	0	Workload Adjustments - Rate increase for emergency and non-emergency transportation services to approach the actual cost of providing these services
\$730,984	\$2,476,232	0	Workload Adjustments - Increase in companion services rates to at least cover minimum wage standard for provider employees
\$1,141,350	\$3,866,363	0	Workload Adjustments - Increase in costs due to change in income standards for Veterans under the BBA
\$0	\$2,899,215	0	Other Annualizations - Costs of providing medical care to the new eligibles under the LaCHIP expansion
\$4,846,295	\$16,416,988	0	Other Annualizations - Addition of 800 slots to the MR/DD Waiver Program in FY 2000
\$44,493	\$150,723		Other Annualizations - Addition of 50 slots to the Elderly and Disabled Waiver Program in FY 2000
(\$1,120,839)	(\$3,777,686)	0	Other Non-Recurring Adjustments - Savings tied to the reduction in cross-over payments in FY 2000
\$2,656,800	\$9,000,000	0	Other Adjustments - Implementation of a new program for persons with special needs for a full year

\$94,998,950	\$0	0	Net Means Of Financing Substitutions - Replace Statutory Dedications, Louisiana Fund and Louisiana Medical Assistance Trust Fund, with State General Fund and Interagency Transfers to remove all non-recurring revenue from the Existing Operating Budget base utilized in FY 2000
\$7,705,699	\$0	0	Net Means Of Financing Substitutions - Replace Statutory Dedications, Louisiana Medical Assistance Trust Fund, with State General Fund to correctly align the means of financing across the four programs
(\$21,713,322)	\$0	0	Net Means Of Financing Substitutions - Replace State General Fund with Statutory Dedications, Louisiana Fund, to associate state match with statutory dedications from Tobacco Settlement Revenues
(\$2,337,819)	\$0	0	Net Means Of Financing Substitutions - Replace State General Fund with Federal Funds in response to the change in the Federal Medical Assistance Percentage (FMAP)
<b>\$491,940,878</b>	<b>\$2,088,365,811</b>	<b>0</b>	<b>TOTAL RECOMMENDED</b>
<b>(\$135,242,674)</b>	<b>(\$507,898,694)</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$356,698,204</b>	<b>\$1,580,467,117</b>	<b>0</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$35,809,984	\$166,190,750	0	Payments to private providers for services at Intermediate Care Facilities for the Mentally Retarded (ICF/MRs)
<b>\$35,809,984</b>	<b>\$166,190,750</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$86,197	\$292,000	0	Assisted Living Waiver Program
\$12,579,637	\$42,613,947	0	Medically Needy Program
\$5,313,600	\$18,000,000	0	Program for Persons with Special Needs
\$552,720	\$1,872,358	0	Payments to private providers for adult dental services
\$95,786	\$324,478	0	Payments to private providers for chiropractic services
\$65,060,794	\$220,395,644	0	Payments to private providers for pharmacy services for non-institutionalized enrollees over the age of 22
\$35,133	\$119,015	0	Partial payments to private providers for case management services
\$605,820	\$2,052,235	0	Partial payments to private providers for durable medical equipment services
\$195,402	\$661,931	0	Partial payments to private providers for Early and Periodic Screening, Diagnosis and Testing (EPSDT) dental services
\$43,573	\$147,605	0	Partial payments to private providers for EPSDT health services
\$266,775	\$903,710	0	Partial payments to private providers for EPSDT KIDMED services
\$145,227	\$491,962	0	Partial payments to private providers for emergency medical transportation services
\$3,800,386	\$12,873,936	0	Partial payments to private providers for inpatient hospitalization services
\$1,304,767	\$7,048,293	0	Partial payments to private providers for ICF/MR services
\$302,276	\$1,023,969	0	Partial payments to private providers for inpatient psychiatric services
\$477,783	\$1,618,506	0	Partial payments to private providers for lab and x-ray services
\$127,462	\$431,782	0	Partial payments to private providers for long term hospitalization services
\$173,254	\$586,903	0	Partial payments to private providers for psychiatric rehabilitation services
\$5,842,916	\$22,041,060	0	Partial payments to private providers for nursing home services
\$37,037	\$125,465	0	Partial payments to private providers for outpatient rehabilitation services

\$2,376,509	\$8,050,504	0	Partial payments to private providers for physicians' services
\$9,636	\$32,641	0	Partial payments to private providers for rehabilitation center services
<b>\$99,432,690</b>	<b>\$341,707,944</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$491,940,878</b>	<b>\$2,088,365,811</b>	<b>0</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 98.6% of the existing operating budget. It represents 87.2% of the total request (\$2,395,597,108) for this program. The major change producing the \$28 million decrease from the existing operating budget is the annualization of the cuts stemming from Executive Order MJF 99-52.

## PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2000-2001.

## OTHER CHARGES

Payments to private medical providers for the provision of the following medical services to patients enrolled in the State's Medicaid program:

\$3,362,503	Adult Day Health Waiver
\$3,405,055	Adult Dentures
\$28,399,550	Appliances and Medical Devices
\$292,000	Assisted Living Waiver
\$8,670,707	Case Management
\$3,321,125	Certified Registered Nurse Anesthetists (CRNA's)
\$324,478	Chiropractic
\$46,652,867	Early and Periodic Screening, Diagnosis and Treatment (EPSDT)
\$6,045,754	Elderly & Disabled Adult Waiver
\$17,611,011	Emergency Medical Transportation
\$4,834,208	Family Planning
\$2,395,136	Federally Qualified Health Centers
\$17,076,199	Hemodialysis
\$20,242,941	Home Health
\$387,172,603	Inpatient Hospital
\$9,217,564	Inpatient Mental Health
\$173,239,043	Intermediate Care Facilities - Mental Retardation (Community Homes for the Mentally Retarded/ Developmentally Disabled)
\$39,075,685	Laboratory and X-Ray
\$502,428,386	Long Term Care Facilities
\$51,856,096	Louisiana Children's Health Insurance Program
\$100,979,131	Mentally Retarded/ Developmentally Disabled Waiver (Home Based Services)
\$10,766,567	Miscellaneous
\$12,569,341	Non-Emergency Medical Transportation
\$102,522,547	Outpatient Hospital
\$18,000,000	Persons with Special Needs Program
\$318,453,436	Pharmaceutical Products

\$177,206,167	Physicians
\$12,316,129	Psychiatric Rehabilitation
\$2,708,428	Rehabilitation
\$7,221,154	Rural Health Clinics
<b>\$2,088,365,811</b>	<b>SUB-TOTAL OTHER CHARGES</b>

**Interagency Transfers:**

This program does not have funding for Interagency Transfers for Fiscal Year 2000-2001.

**\$2,088,365,811 TOTAL OTHER CHARGES**

## **ACQUISITIONS AND MAJOR REPAIRS**

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2000-2001.